



To the kind attention of:

- Kadri Simson, European Commissioner for Energy,
- Ebba Busch, Swedish Minister for Energy, Business and Industry and Deputy Prime Minister,
- Niels Fuglsang, Member of the European Parliament.

Brussels, 21 February 2023

Open Letter

EED recast: Don't put primary energy in the corner

The recast of the Energy Efficiency Directive (EED), currently being negotiated in trilogues, is a crucial piece of legislation to delivering both the Fit for 55 and REPowerEU objectives. It will ensure the acceleration of energy efficiency this decade to improve EU energy independence and reduce the cost of energy for citizens and businesses.

In that context, as representatives of both supply and demand side sectors, **we are very concerned that the binding nature of the 2030 EU energy efficiency target in primary energy is being questioned** by the Council of the EU in its general approach on the EED.

Deprioritising primary energy, by making the EU target indicative, means dismissing the efficiency of the whole energy system and its associated benefits for the environment and economy, such as reduced greenhouse gas emissions and lower energy bills.

It is essential that the EED energy efficiency framework **keeps incentivising actions to reduce both final and primary energy needs**. Keeping the focus on primary energy efforts, **notably through a binding EU target for 2030, would:**

- Fully encourage renewable energy deployment, by speeding up fossil fuels reductions and promoting the most efficient energy sources and production technologies, as well as the sustainable use of waste heat recovery technologies;
- Bring a concrete contribution to reducing energy imports from non-EU areas, particularly oil and gas, and hence alleviating EU's energy dependency;

- Support an efficient integrated energy system and technologies that reduce energy losses in the conversion, transmission and distribution sectors; this will avoid that energy is wasted between its production and use phase and reduce system costs;
- Incentivise demand-response measures to reduce peak demand and therefore the overall generation capacity, in a way that rewards consumers.

Current EED implementation shows the importance of setting binding targets, both for the EU and for national contributions; an indicative 2030 EU energy efficiency target for primary energy sends the wrong signal to businesses and investors that system efficiency is not a priority for the EU and that a cut in energy use must be pursued in the end-use sectors only.

Without a binding energy efficiency target for primary energy, the EED will not be fit for the current challenges and the synergies between demand side resources and renewable energy will not be fully maximised.

Thank you very much for your consideration.

COGEN Europe

EGEC, the European Geothermal Energy Council

Euroheat &Power

smartEn

Solar Heat Europe

T&D Europe

The Coalition for Energy Savings